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Making a  
difference  
to disaster

HLA workshop at  
AidEx 14<sup>th</sup> November

Managing the humanitarian supply chain  
Peter Jones, Logistics Learning Alliance



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# Managing the Humanitarian Supply Chain

Peter Jones

Managing Director

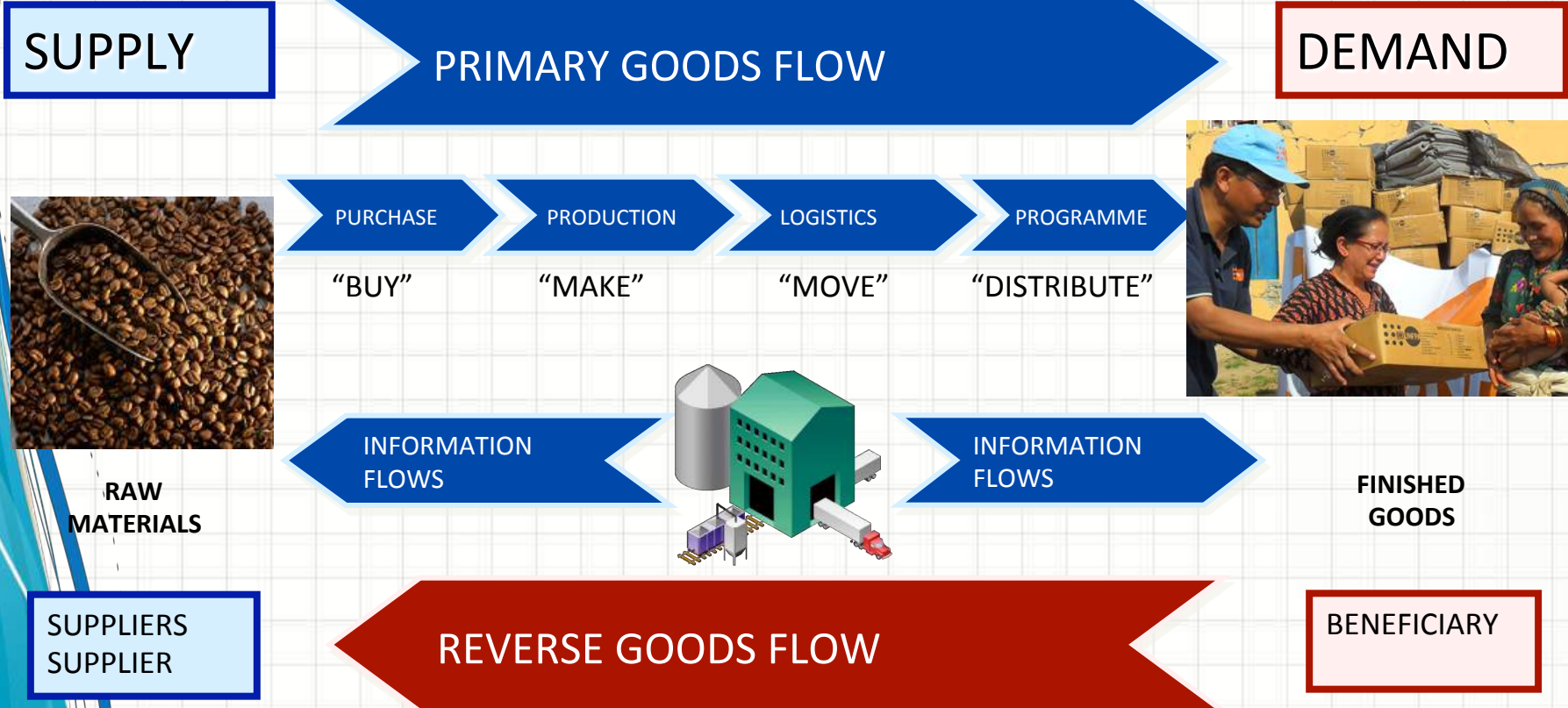
Logistics Learning Alliance Ltd



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# The Supply Chain

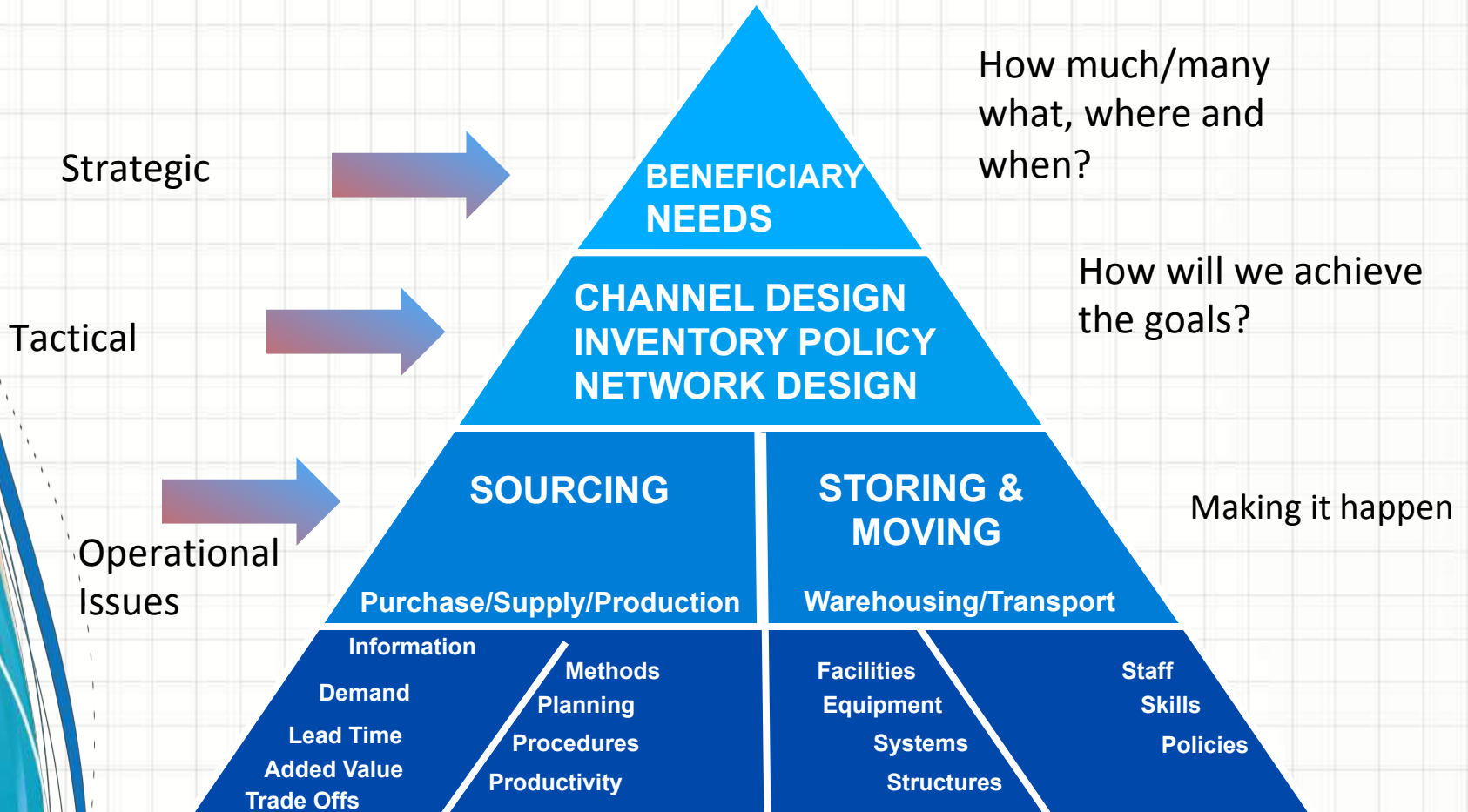


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# SUPPLY CHAIN SCOPE



## Phases of Humanitarian Aid

These fall into 4 headers

Rapid onset

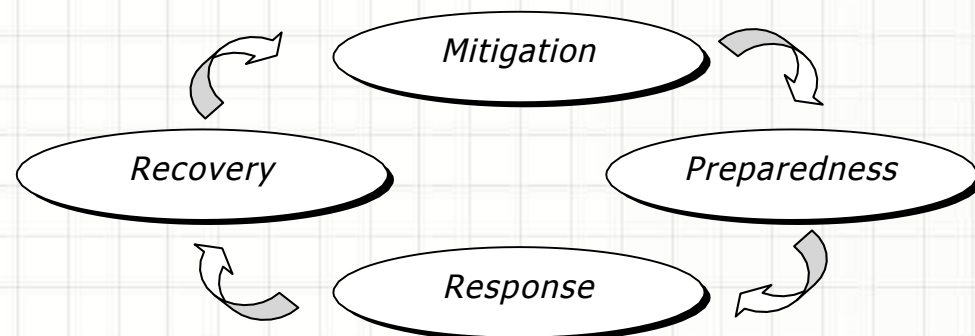
Slow onset

Endemic

Complex emergency

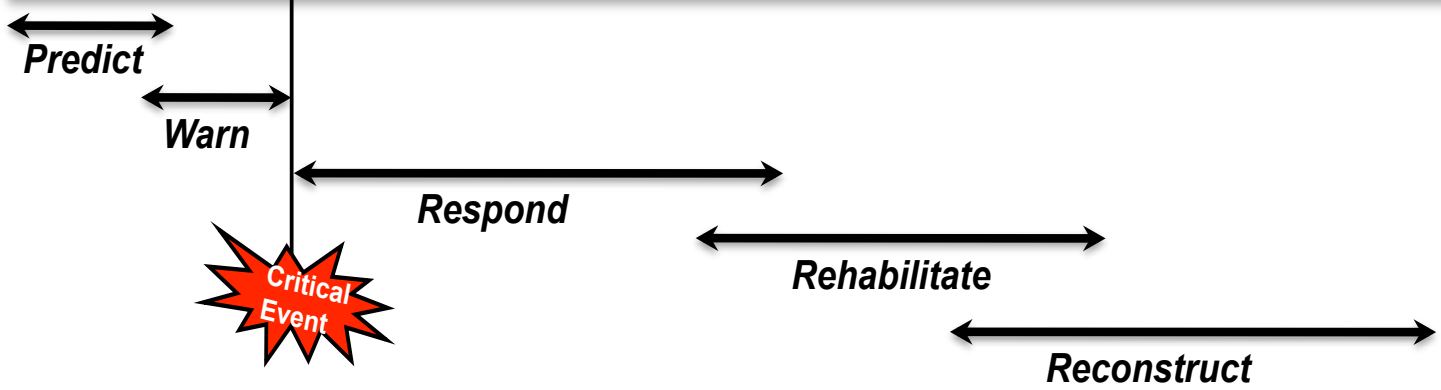
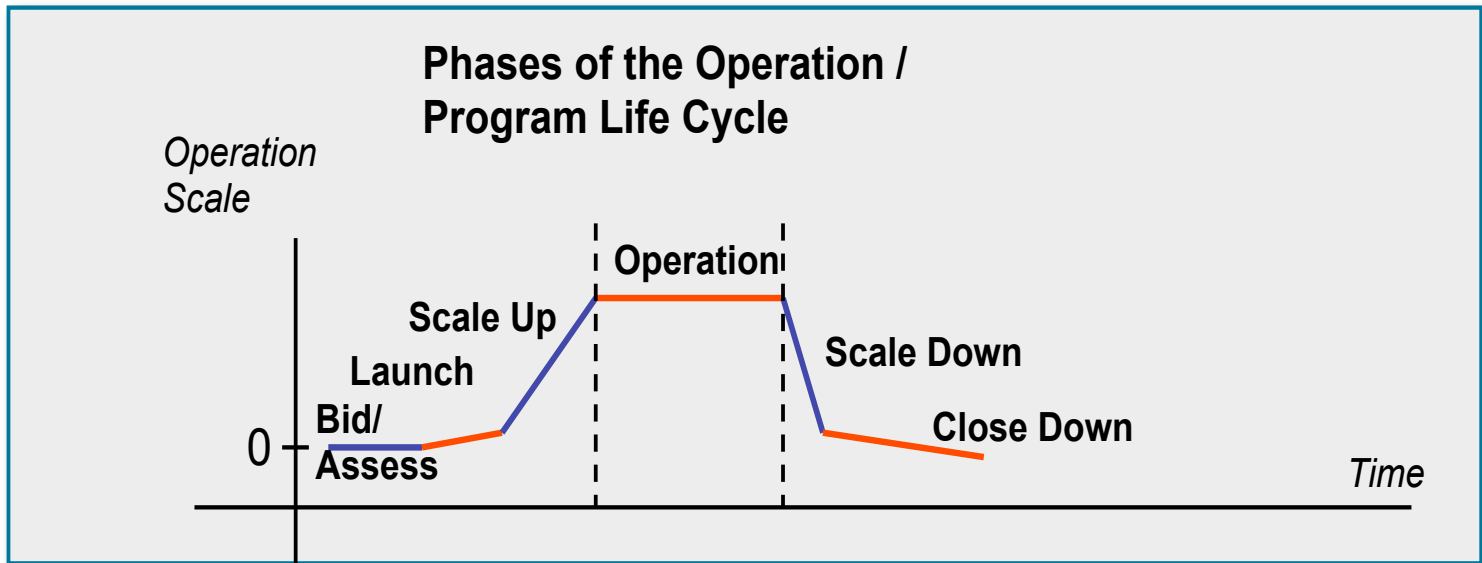
Not to be confused with 4 phases of Emergency Management

The Four Phases of Emergency Management

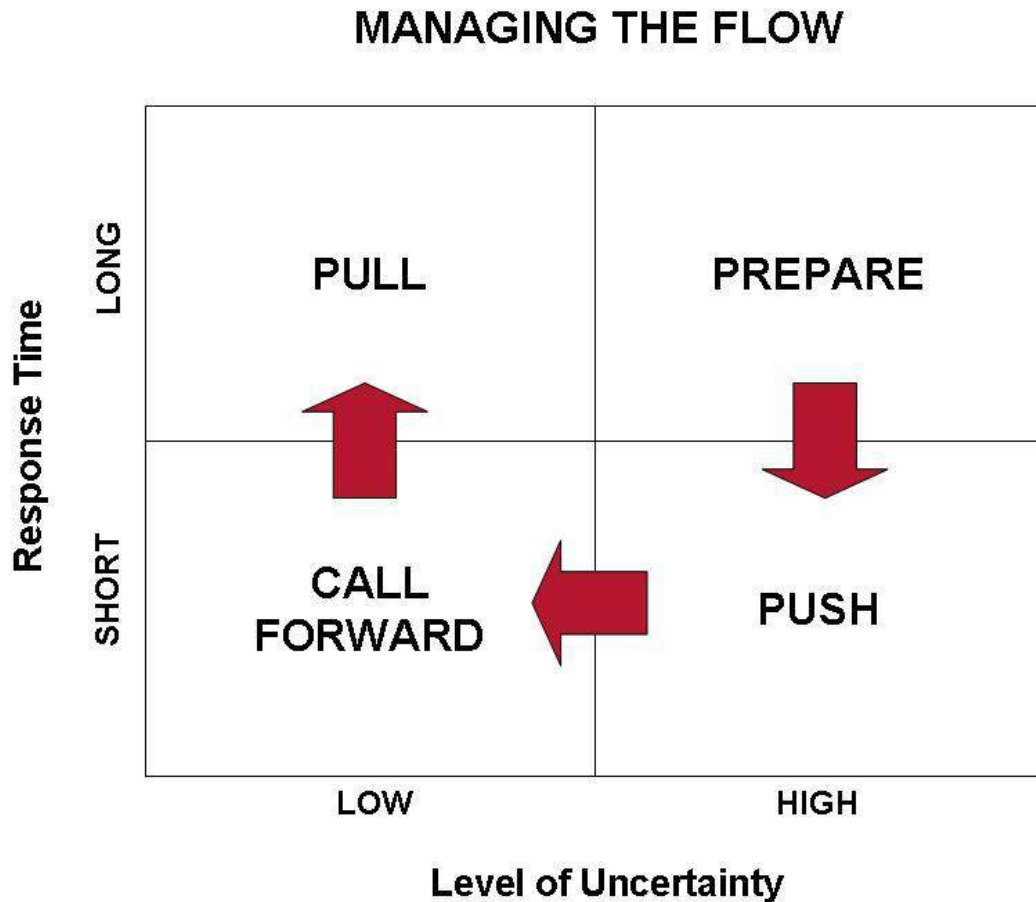


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# TYPES OF HUMANITARIAN SUPPLY CHAINS



# Value for who?

- Donors
- Our organisation
- The beneficiaries

$$V = (Q * S) / (C * T)$$





# PERFORMANCE METRICS

**BENEFICIARY  
FOCUS**



**INTERNAL  
FOCUS**



Supply Chain Management Metric	Supply Chain Reliability	Supply Chain Flexibility/ Responsiveness	Supply Chain Cost	Supply Chain Asset Management
Delivery performance	X			
Order fulfilment performance	X			
Perfect order fulfilment	X			
Supply chain response time		X		
Production flexibility		X		
Total logistics cost			X	
Value added productivity			X	
Inventory days of supply				X
Asset turns				X



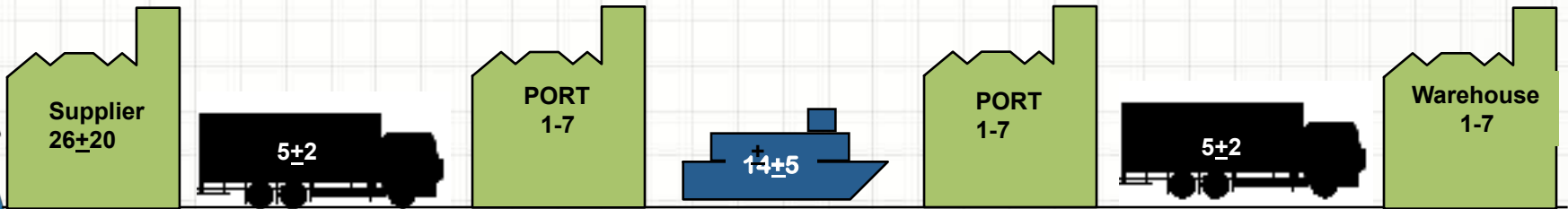
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# EFFECTS OF TIME

## PROCUREMENT TO STOCK



## DELIVERY TO BENEFICIARY



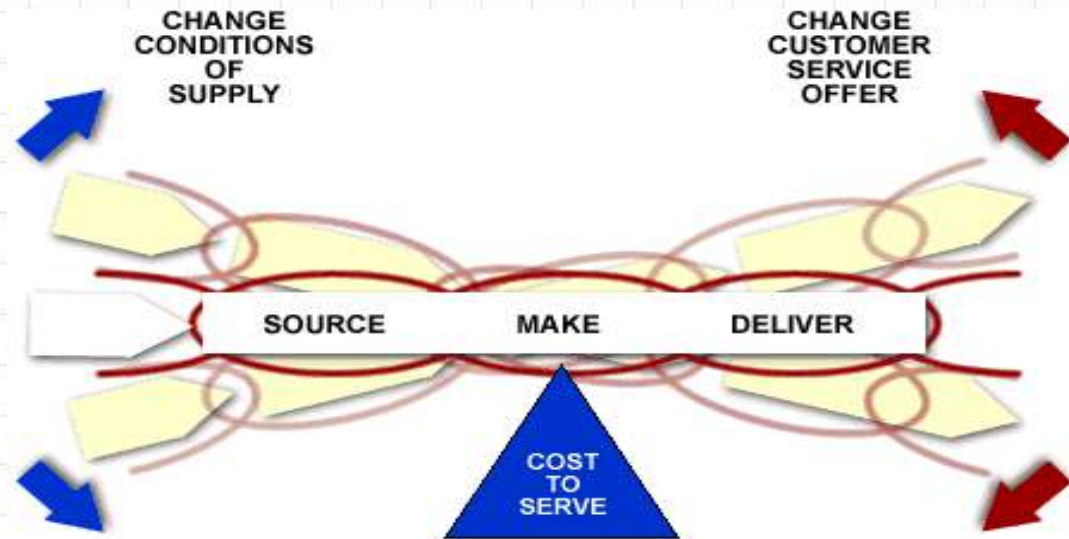
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# COST TO SERVE

To determine the Cost to Serve the supply chain activities must be identified. For each activity a cost driver is identified:

- Order processing
- Procurement
- Manufacturing
- Inventory
- Warehousing
- Transport
- Information Systems



## Managing the Humanitarian Supply Chain - Why Cash

- Align the humanitarian system better with what people need, rather than what humanitarian organizations are mandated to provide
- Increase transparency of humanitarian aid, including by showing how much aid actually reaches the target population
- Increase accountability of humanitarian aid, both to affected populations and to the tax-paying public in donor countries
- Reduce costs of delivering humanitarian aid, and so make limited budgets go further
- Support local markets, jobs, and incomes of local producers
- Increase support for humanitarian aid from local populations
- Increase the speed and flexibility of humanitarian response
- Increase financial inclusion by linking people with payment systems
- Most importantly, provide affected populations with choice and more control over their own lives

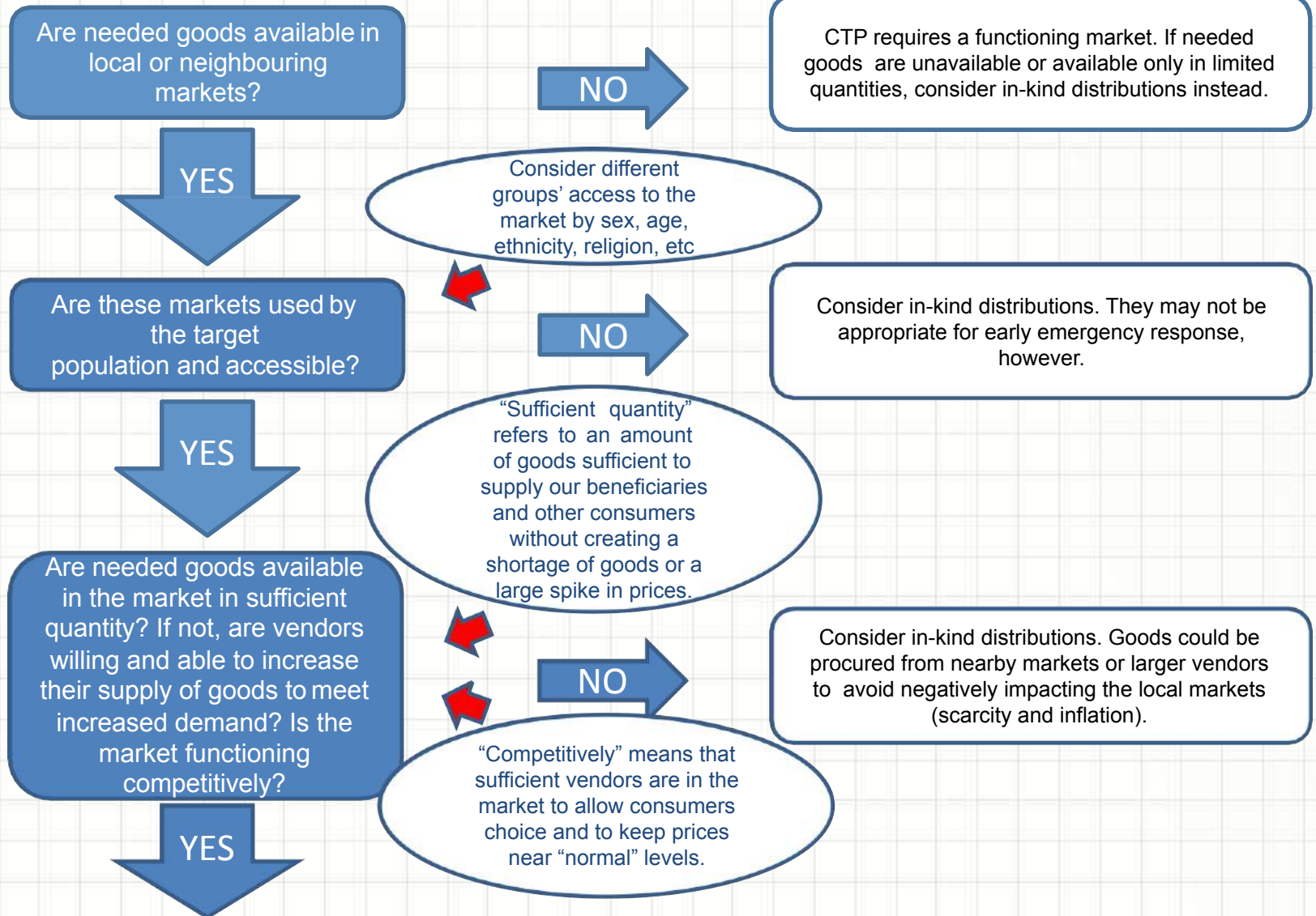


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# Cash Transfer Programme



# Cash Transfer Programme

Does inflation significantly impact the target population's ability to buy needed goods? Are prices expected to increase in the coming months (outside of normal seasonal fluctuations)?

YES

Consider in-kind distributions or commodity vouchers (only if the price increase is not due to a shortage in supply). In-kind distributions may help to stabilize prices, but may push some vendors out of the market, so be sure to study the reasons for inflation before choosing an intervention.

Consider transportation constraints, government restrictions, price trends and seasonality

NO

Is it safe to distribute cash? Is it safe for beneficiaries to receive/carry cash from the distribution site?

NO

Consider cash vouchers or cash transfers through e-transfers. These types of CTP can mitigate security concerns around carrying cash and can be voided in the event of theft. (E-transfers may pose additional barriers related to technology use,.)

Consider safety may vary by sex, age, ethnicity, religion, etc

YES

?

Shops in camp  
Or shops in local village?

# Impact of Cash Transfer Programmes



## Challenges:

Cash based transfers have several limitations:

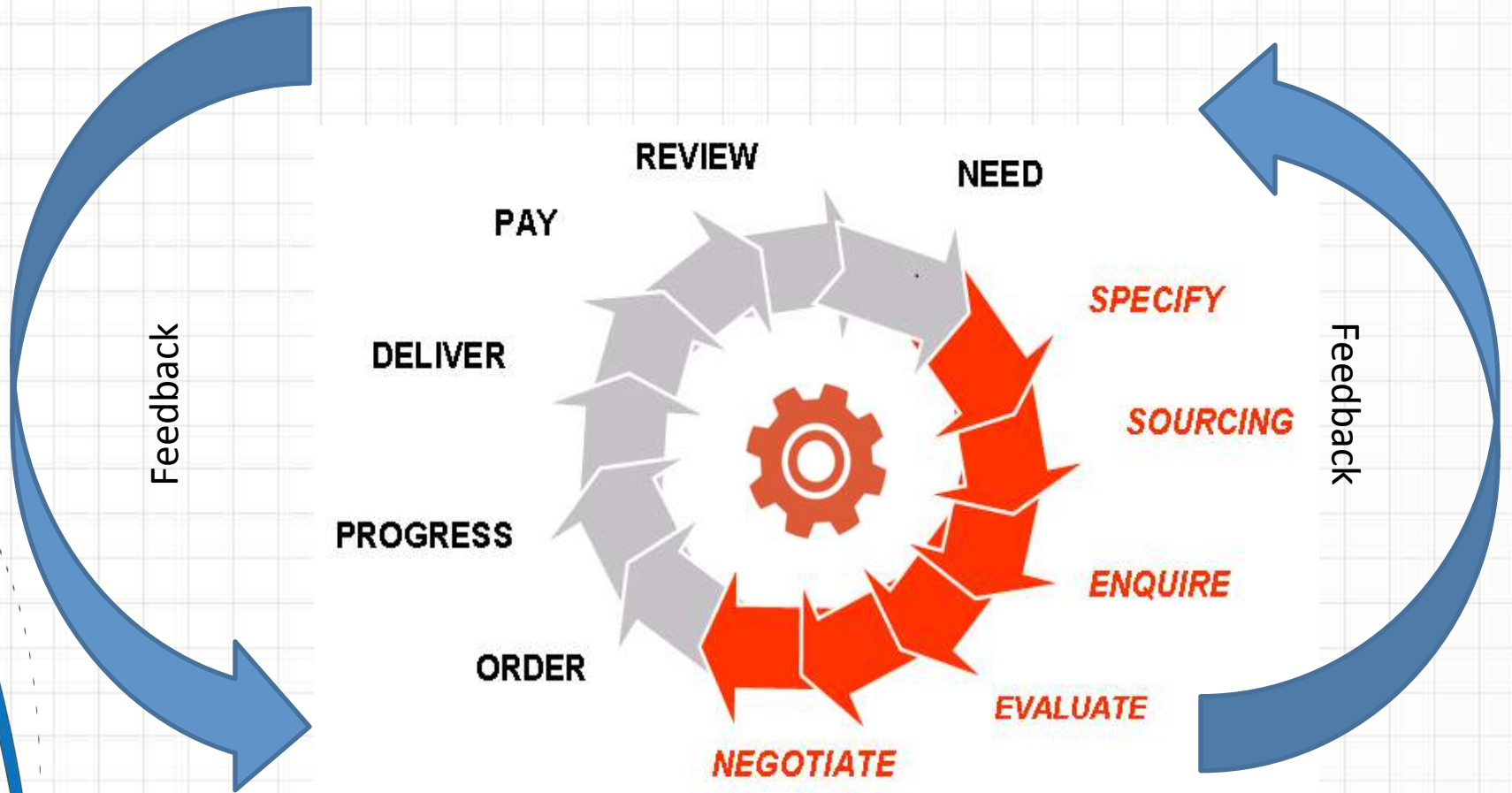
- High fees to financial service providers
- Financial risk of insolvency
- Sharing beneficiaries data
- Reliance on vendor and lack of direct control over operations



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# Traditional Information Flows



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# Issues with Humanitarian Supply Chains



## Block Chain

“The reality is that in a disaster cycle, everyone has a piece of information, everyone has a piece of that picture.

The more that people are able to share information data across ecosystems, and the more information that people have to utilise, then we'll really see disaster response be able to be more “

### Benefits of Blockchain:

- Blockchain makes cash transfers more efficient, secure and transparent
- Reduction of transaction costs
- More secure transactions
- No need to share beneficiaries data
- Boosting digital financial inclusion
- Inter-agency operability



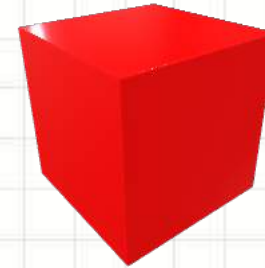
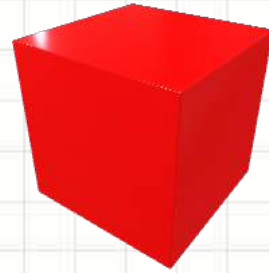
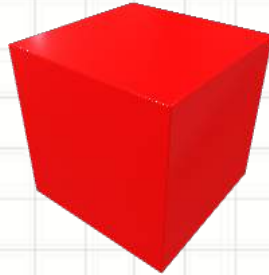
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# Block chain in the Humanitarian Sector

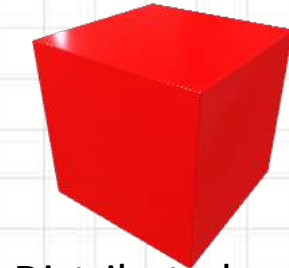
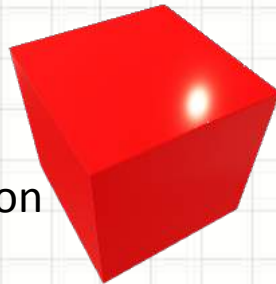
## Supply Chain Tracking and Transparency

Information  
And Data  
Collection

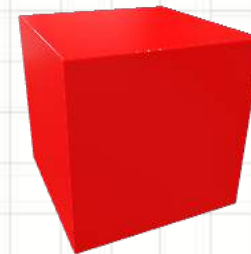


Humanitarian  
Financing

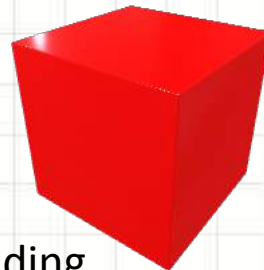
Identification  
And  
Documentation



Distributed  
Transparent  
Tamper-Proof  
Traceable  
Secure



Cash  
Programming



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# SUPPLY CHAIN MANAGEMENT

- Connecting demand and supply
- Synchronising activity with supply chain partners
- Optimising from source to consumption
- Making goods available
- Managing variability and uncertainty
- Making demand visible across the supply chain
- Compressing time
- Reducing supply chain complexity



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# Questions/Thoughts/Comments



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Discussion: the future of humanitarian  
aviation/freight services and last mile  
delivery



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Panel discussion

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**George Fenton, HLA**  
**Stuart Smith, Volga Dnepr**  
**Christian Georlette, ASF International**  
**Pauli Immonen, ASF International**  
**Romain Gauduchon, DAC Aviation**



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Any questions?

Thanks

